

## Civil Aviation

42. The activities of Civil Aviation fall under three broad areas; operational, infrastructural and regulatory-cum-developmental. Domestic air services in the country are provided by Indian Airlines Ltd. and private airlines (scheduled and non-scheduled), while international services are provided by Air India Ltd. and Indian Airlines Limited. Pawan Hans Helicopters Ltd. provides helicopter services for the petroleum sector and remote areas of the North-Eastern region of the country. Infrastructural facilities are taken care of by the Airports Authority of India (AAI).

43. As of now, 2 scheduled private airlines are providing regular domestic air services along with Indian Airlines. There are also 31 air-taxi operators providing air-taxi/non-scheduled air transport services and nearly 37 per cent of the domestic air traffic is being presently catered to by private operators. The number of passengers availing of private air services has increased from 15,000 in 1990 to 42.6 lakh in 1997.

44. Despite the entry of private airlines and air-taxi operators, Indian Airlines has retained its position as the major player in domestic air transport services. After incurring continuous losses for 8 years, the company has made a net profit of Rs.47.3 crore during the year 1997-98. But between April-October, 1998, the Company incurred a net loss of Rs.34.7 crore. However, a net profit of Rs. 50 crore is expected for the full financial year 1998-99. With November to March being the more profitable months, on account of the tourist season, Indian

Airlines introduced 5 new international services and also a new domestic route (Goa-Agatti).

45. Air India Ltd. reported a loss of Rs.181 crore in 1997-98 which was lower than the loss of Rs.296.9 crore in 1996-97. This was despite a 12 per cent increase in its operating revenue. During April- September, 1998 the Company incurred an estimated loss of Rs.129.1 crore. The losses can be ascribed to factors like reduction in yield due to increased competition and increase in operational costs; the incidence of depreciation and interest on new aircraft; the increase in the wage bill and other staff costs; and the depreciation of the Rupee.

46. The Airports Authority of India (AAI) earned a net profit of Rs.196.1 crore in 1997-98, as compared to Rs.132.1 crores in 1996-97. The higher profit is mainly attributable to increase in Airport charges and Passenger Service Fee.

47. A new policy for private investment in the domestic air transport services sector was announced in April, 1997 allowing for 100 per cent NRI/OCB equity and 40 per cent foreign equity participation in domestic airlines. However, equity participation by foreign airlines, directly or indirectly, has not been permitted.

48. The Government has announced that five cities will be identified for developing world class international airports. Subsequently, a Task Force under the Chairmanship of the Deputy Chairman, Planning Commission was set up to identify the locations. The Task Force has recommended that the existing Mumbai and Delhi airports and the proposed new airport at Bangalore be corporatised, as a first step.